

Dallas County News

How Apple's Waukeez Data Center project came to be

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The Waukeez Chamber of Commerce held its monthly luncheon at the Waukeez Community Center on Thursday, Oct. 19 and heard from Mayor Bill Peard and Planning and Zoning Director, Brad Deets, about how the Apple Data Center project came to be and the financial impact it's going to have on the community and the school district.

Peard talked about what it was like on the day that Apple CEO Tim Cook visited Iowa and announced that Apple would be building a \$1.3 billion data center in Waukeez.

"I've got to tell you, it did not suck to be mayor that day," Peard said to the audience of Chamber members.

He said that he had had ankle surgery just days before the announcement and was even disobeying some doctor's orders by putting weight on the ankle that day.

"There was no way I was going to miss the opportunity of a lifetime by personally welcoming Tim Cook and being on the stage with the Governor and the Lieutenant Governor," he said.

While many people may think that an opportunity like this can just fall into the lap of a growing community like Waukeez, Peard assured those in the audience that it was not. When they originally heard that Apple was looking to build another data center, they made a cold call to the company and within a year, representatives from Apple were in Waukeez, looking at the site west of town.

They started out only wanting 500 acres, but within an hour, they learned that the adjoining properties were also available, and ended up committing to purchasing more than 2,000 acres from the city.

Deets said the group from Apple who came out to "walk the site" did not have good poker faces, as they instantly fell in love with the property for their new data center. He said that what they found so appealing about the land was that it was flat and easy to develop, there was easy access to the site, and utility rates out there, particularly with MidAmerican Energy.

While there will be no wind turbines on site, MidAmerican Energy will transition the site's energy source to 100 percent wind energy in the future.

City Impact

Although there were major tax incentives provided to Apple by the State of Iowa and the City of Waukeez, the city still stands to gain a significant amount of tax income on the property.

Deets said that as a part of the deal, each building that Apple constructs as a part of the data center must have a valuation of at least \$200 million and that the amount received in property taxes by the city, by the Waukeez Community School District and Dallas County will be about \$1.9 million per building, per year in income tax from Apple. This is after an abatement of about 71 percent.

Additionally, Apple has agreed to contribute \$500,000 per building, annually to a separate community improvement fund for 20 years on a maximum of 10 buildings.

"As this project continues to grow, there is the potential of collecting upwards of \$100 million based upon a total of 10 buildings being constructed," Deets said. "Those funds... will be utilized heavily for investment within our community in terms of amenities and other facilities that would benefit the community as a whole."

As was previously reported, a part of what Apple's community improvement fund will help pay for is the sports complex that will be a part of Waukeez's second high school campus, which could be opening in the fall of 2020. It will also help to fund a civic campus on land that was purchased by the city on the same day as the Apple announcement was made.

While there is no commitment for Apple to build more than the two buildings that are planned for Phase One of the project, the land the recently purchased has the capacity for 32 data center buildings.

Apple even plans to continue to use their undeveloped portion of the land at the site for agriculture. Even though the site includes around 2,000 acres, Deets said that the amount of land they will be developing is "minimal in size."

Deets said Apple is working with local farmers to continue to farm the land until Apple has use for developing the land.

City staff anticipates that contractors will start grading the land sometime next spring and that construction could start in early summer.



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